GOVERNMENT OF INDIA
HEAVY INDUSTRIES AND PUBLIC ENTERPRISES
LOK SABHA

UNSTARRED QUESTION NO:2423
ANSWERED ON:15.03.2007
RANKING OF PUBLIC SECTOR UNDERTAKINGS
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Will the Minister of HEAVY INDUSTRIES AND PUBLIC ENTERPRISES be pleased to state:

(a) whether the Government proposes to introduce ranking system in regard to the Public Sector Undertakings (PSUs) in order to ensure a healthy competition for getting high ranking among them and to obtain information regarding their performance;

(b) if so, whether major basis have been determined for ranking;

(c) if so, the details thereof;

(d) whether the Government has made some arrangements to provide incentives/awards in this regard; and

(e) if so, the details thereof?

Answer

THE MINISTER OF HEAVY INDUSTRIES & PUBLIC ENTERPRISES (SHRi SONTOSH MOHAN DEV)

(a) to (c): The ranking of profit making Central Public Sector Enterprises (CPSEs)J has been done for the first time for 2005-G6 and is based on the following parameters:

(i) Sales,

(ii) Percentage of change in sales over previous year,
(Hi) Net profit,

(iv) Percentage of change in net profit over previous year,

(v) Return on net worth,

(vi) Earning per share, and

(vii) Dividend pay out ratio.
CPSEs which are having negative net worth or have undergone capita! restructuring and whose net worth is less than paid up capital have not been considered in this ranking. Furthermore, CPSEs which did not submit data/information for Public Enterprises Survey 2005-06 or 2004-05 have not been considered for ranking.

(d) & (e): Ranking of profiting making CPSEs has been done first time in Public Enterprises Survey 2005-06. No incentives/awards are given to CPSEs on the basis of such ranking. However, CPSEs which have secured excellence in performance on the basis of achievements of targets under Memorandum of Understanding (MOU) system are given `Excellence Awards` and `Excellence Certificates` on the basis of MOU composite scores.